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Question: What can coöperation do in lowering food costs?

Answer: Consumers' coöperation can remove every motive for keeping up food prices and make it to the advantage of every human being to use, to its fullest capacity, every device that will increase the yield of the good things of the earth and that will distribute them quickly, easily and cheaply to those who would use them.

Question: What is coöperation doing in lowering food costs?

Answer: Consumers' coöperation in many parts of the world is not only eliminating the profits of all middlemen, but it is improving methods of production, thereby increasing the yield and is giving to the consumer absolute certainty that the quality and the quantity of what he buys is as it is represented. In consumers' coöperation it is to nobody's interest to follow any other course.

The application in America of the principles of the Rochdale Pioneers is behind other civilized countries and every effort, such as is being made by the Coöperative League of America, to bring about a clearer understanding and a more general and successful adoption of these principles, should be encouraged and supported by everyone who has faith in a more just and a more efficient economic system.

PRICE CONTROL THROUGH INDUSTRIAL ORGANIZATION

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Some persons have been inclined at times to smile at the distinguished iron master whose name adorns so many libraries, but I regard Andrew Carnegie in the light of an economic prophet, for he declared years ago that we were coming to the time when we would have a supreme court of prices. If ideas have something of an environmental origin, it is perhaps not unnatural for Mr. Carnegie to come to such conclusions after contemplating the sale for hundreds of millions of certain iron properties that cost scores of millions. Mr. Carnegie's supreme court of prices is here embedded in our states, as witness the Interstate Commerce Commission. That it is also deep in the common mind is shown by the repeated attempts to create a Federal Trade Commission. Although that organization is still feeble and almost toothless, after the manner

of beginners, yet the occurrences of the past two years show that it has promise of long life, great growth, and far-reaching influence. For price regulation, like many other forms of industrial control, is here to stay.

The necessities of price regulation have made Woodrow Wilson, who calls himself a democrat, recommend and fight for legislation so sweeping that it would surely make Thomas Jefferson rule him out of the party, and yet we know from the experience of the last twenty years, illuminated by the experience of the last two years, that the needs of the people compelled even this supposed apostle of states rights, this priest of the doctrine of little government, to ask these powers for the federal administration and to use them. He had no alternative but to ask for price control.

Price control is coming by two methods: one the legislative—administrative control, now very much in the public mind; and the other, industrial organization which lacks some of the dramatic appeal of the cudgeling of rascals over the head, but despite this limitation it has great possibilities as a real price reducer.

Organization is a new concept to the American, one that does not inhere in the nature of democracy. It took the Germans to show us what organization is. We now know the difference between a mob, a body of militia and an army. Each is a group of men, but the militia is far superior to the mob. We have also found out that it takes the militia months of diligent training to become an army, and when it has become an army all it does is to have a great group of men put certain objects in certain places at certain times. That description also happens to cover the process of supplying a city with food; namely, a great group of people putting certain objects in certain places at certain times.

Owing to the poor things we will put up with in times of peace, we may justly say that American food production and particularly American food distribution are in the mob stage rather than in the militia stage of organization. Behold the distribution of goods in a city! In the early morning sleep is disturbed by a mob of milkmen traveling one after the other through the same block, each leaving his contribution of bottles on the different doorsteps. During the forenoon a mob of grocer wagons rattles through the same street, their places to be taken in the afternoon by a similar mob of department store delivery wagons. With the din of this wasteful

confusion still in our ears, we wonder in the evening why the cost of living is so high. We haul food a thousand or two thousand miles, past untilled lands, and then wonder why we have a car shortage and why it all costs so much, and why the quality is poor.

We have an industrial organization based on individualism and profits rather than upon service, and as socialism looms above the horizon the champions of individualism denounce it. I am here to urge them to cease denouncing and construct, and I am here to warn them that if they do not construct, the socialists will certainly try it in ways which to the average individualist are quite terrifying.

The present English situation is a neat compromise between socialism and individualism. They found that the price of ships was becoming unreasonable, so the government took over all British ships at a comparatively low but profitable rate per month and handed them back to owners to operate for the government. The British found the price of bread was becoming unreasonable, so the government buys all the wheat, hands it over to the importer, telling him he may make so much profit gross on it. The importer sells it to the miller to whom the government grants the privilege of a certain other gross profit, and so on down the line. Thus when the loaf of bread is found to cost too much, the irregularity is traced, and woe to the man who is found profiteering beyond the allotted amount. An English farmer was fined \$5,500 the other day for selling his potatoes above the proper price. It is comparatively easy for a government to say to a wheat importer that he may sell wheat at 1 cent or 2 cents a bushel more than the government charged him for it. That is industrial control. The real business, the industrial organization, is still in the hands of the individual importer. He hires and fires, sells and collects, repairs and sweeps up. The government has dodged these bothers of administration.

I wish to point out the service of industrial organization as a factor in possible price reduction.

What is there for industrial organization to do in reducing the price of food, and how can it be done? I will cite the investigations of Mr. A. B. Ross in the Altoona food situation. In trying to work up an outlet for the produce of a nearby county, he succeeded in getting a fairly authoritative food survey for the city of Altoona which revealed the surprising fact that 80 per cent of the perishable produce was hauled fifty miles or more by train to a small city sit-

uated in the midst of undeveloped agricultural territory with a great variety of soil resources, and with a farming population sure that there was no market and that farming was not much of a business. During this investigation this characteristic and instructive episode was unearthed.

A Bedford County farmer had hauled a barrel of apples to his station and shipped it by train to Altoona. There it was put upon a dray and hauled to a commission merchant's place. After keeping it for a few days the merchant paid a price for it, hauled it to the station and shipped it to Pittsburgh. It was again put on a dray, taken to a commission house, again sold and again hauled back to the station, put on a train and shipped back to Altoona, carted to a commission merchant's store, sold to a retail grocer, who hauled it to his store, broke it open and delivered the contents in many small lots to his customers. Four sales, six cartings, three railroad journeys, and all on one barrel of apples—not very good apples either.

It is not unnatural that the farmer who shipped that barrel is inclined to think evil thoughts of middlemen and railroads, yet it was not necessarily the fault of any one of them, but the fault of a very vicious system that dates back to the day of hoop skirts and negro slavery. This inland town of Altoona with 58,000 people, mostly artisans, with 80 per cent of its perishable goods coming by train, often long distances, is supplied chiefly with stale and therefore tasteless, unappetizing and partially inedible vegetables. This fact, which is typical not only of the small town, but also of the great city, helps to explain why the way of the vegetarian is hard. Go to a restaurant and order a few meals, and you will find that about the only things you can eat are bread and meat. The poverty of our vegetable supply and its poor quality, explain why this nation finds it so hard to give up the meat diet, even though at the present time the prices are past anything in our record and with no permanent relief in sight. It is indeed unfortunate that there is no immediate or ultimate prospect of any substantial increase in the meat supply, but the economic facts of the country have so decreed. It is easy to prove that between eight-tenths and nine-tenths of the American farm produce goes to feed the beasts. Our agricultural area is nearly static, the population and the demand for meat are increasing, and few people think that even all the authority of the

war food administration can materially affect the price of meat. It is exceedingly suggestive to note the first great service of the food administration—the case of bread. This great act was to guarantee the farmers that the price of wheat shall be high—\$2.00 a bushel next year.

With a large and increasing population and a consequently large and increasing demand for food, with the high price of bread and the high and increasing price of meat, we are compelled to seek the vegetable diet. Fortunately the possibilities of vegetable production, unlike those of meat or of wheat, are indefinite in extent. The yield of these plants is heavy, and we eat the product ourselves rather than feed it to our beasts, so that a small acreage suffices. We could raise five times as many potatoes without materially affecting the area for the production of any other crop. As to peas, beans, cabbages, beets, and all the rest, there is a possibility of many fold multiplication of output. *The bane of truck growing is agricultural overproduction.* The fear of the truck farmer is the glutted market. There is scarcely a year goes by that the farmers of New Jersey do not leave peas unpicked in the field and plow under beans, while in the aggregate the annual waste of vegetables in this country would almost feed a second-rate European power. That waste goes on even this year. The orchardist fears to extend his plantings for fear he cannot find purchasers for his fruit. Even in this year of scarcity, cabbages day after day have sold for less than cost in the markets of Philadelphia, despite the free advertising of the local food commission, and fruit has rotted on the ground. With all this scarcity of meat and possible abundance of vegetable food, the average small town is poorly supplied with stale and unattractive vegetables. Here is a field for some industrial organization.

Now note the picture of what might be. There is no reason whatever either in scientific knowledge, in the physical conditions of production, or the facilities for shipment, why we might not have in every town that is a local market some kind of an organization to render the following service: (1) establish standard varieties of market vegetables to be grown in that locality, so that in that market town packages of beans, peas or cabbage could be made standard packages, but made up if need be by the contributions of a dozen farmers. In Denmark, probably the world leader in rural organization, their famous bacon is grown on a standardized pig.

This marvelous animal is a certain cross of breeds being grown by thousands of farmers, fed in approximately the same way, slaughtered at the uniform size of maximum efficiency for food consumption, cut up and cured in the prescribed way so that a piece of Danish bacon is a piece of Danish bacon, and you can buy it with your eyes shut. Similarly the Countryside standardizing plant of the United States should be able to pack the produce of a hundred gardens from a hundred nearby farms or backyards, freely commingling them if need be, and put up standardized packages of peas, beans and beets of the same variety, picked in the same degree of ripeness and thus acceptable in any market to which they could be easily sent. This standardizing house with its standardized package is merely a copy of what has been done for years in California, to the great success of orange growers and the great increase in the consumption of that wholesome fruit.

From this standardized packing plant all the stores of the town of Countryside and all housekeepers who wanted a whole package would be supplied with the freshest of good produce. If a surplus remained it could be shipped to nearby markets. If other markets were not available, as at times they are not, an adjunct to the standardizing plant should be canning equipment and drying equipment, so that no food should be wasted. Thus the inhabitants of the borough could be supplied through the winter from their own good fresh produce, prepared in their own local plant by the most scientific and hygienic methods and no freight to pay. Any surplus thus preserved in excess of local needs could be marketed at the world's leisure. We should have 5,000 little towns each thus fed with good fresh, home-made vegetable food from its own local plant. It would eliminate the waste of vegetables so common in farmers' gardens, for the farmer is not in a position to handle small surpluses. It would eliminate waste of labor by greatly reducing railroad freightage, it would reduce waste of work and lumber by saving the making of thousands of packages. It would reduce waste of labor and money, for middlemen's work and profits would not need to be paid. It would reduce the price of meat, because people would have more abundant and satisfying supplies of substitute foods. By giving to the farmers around every population center the local market for twelve months in a year, it would aid greatly in the intensification of our agriculture and in its fine

adjustment to need. We are at the present time a nation that is freight car crazy. We are also crazed by freight car shortage. Next year it will be worse. Here is a way out. Such a point-of-origin standardized plant would give the small town its natural and proper advantage of a lower cost of living than any great city could rival.

The second part of this plan is an efficient and honest information service which will enable both shippers and purchasers to know the supplies and demands. At the present time we have a perfect chaos of effort in seeking information concerning markets, and also a chaos in the supply of markets, so that one market is glutted, with the result of disappointed farmers, while another reasonably nearby market is starved, with the result of equally disappointed would-be purchasers. For example, this summer good peaches sold at from 40 to 60 cents a basket near Bordentown, N. J., while at the same time similar fruit was bringing \$2.00 a basket in north Jersey towns suburban to New York. A proper information service would have had the cheap peaches in the high-priced market, with the result that prices would have been somewhat higher for suppliers and somewhat lower for purchasers; all parties would have been satisfied, consumption would have been increased and likewise production. It may be of interest to know that an attempt to establish such an information system in one of our largest eastern states was killed by commission men, although it is probably easy to show that it would have been to their advantage.

I do not wish to claim originality for these plans. They were worked out by Mr. A. B. Ross, now with the Pennsylvania Public Safety Committee, in the process of his attempts to solve some very distressing conditions of badly fed towns and poverty stricken farmers hardby. Why do we not have it? There are four reasons: (1) the American farmer lives in a mental burrow and is the fiercest of individualists, while the plan that I have described necessitates that men shall coöperate; (2) the American townsman, despite the fact that he eats three times a day, thinks food supply is the farmer's problem, when really it is a town problem and he is about as set an individualist as the farmer; (3) the United States Department of Agriculture, for reasons defended by any social economist, thus far does not take hold of such work; (4) most of our state departments of agriculture and our state colleges and agricultural extension service are equally shy of this constructive work.

Perhaps the shyness of state and national government could be explained if we could read the full history of lobbying and appropriations. Put yourself in the position of a bureau chief whose work depended on appropriations, and it is easy to see why he should hesitate to start things that would get all the middlemen of the country out to kill his appropriations. Meanwhile the need accumulates, and we have an unexampled opportunity in the present need and the unusually widespread desire to be of service. Here is a possible good result of the war.

This war is a terrible thing, but, like most misfortunes, it too may have a silver lining. The world is getting new concepts of public necessity and the way to meet it. If styles are not right, we change them. Not long ago someone had the notion that the ladies would look better with large, wide-flowing skirts, but suddenly a person in Washington, a person of thought, saw that this was going to cause world suffering from a wool famine. A brief international interview took place, and behold the lady is to look different. Her skirt is to continue short, and be exceedingly narrow, using little wool. Does steel go to make fences for game preserves, to make the skeletons of more hotels at pleasure resorts, to make limousines for the parkway? In England the answer is emphatically "no." The nation needs steel for three things: munitions, warships, merchant ships. No one else can have a pound unless he proves his need to the Ministry of Munitions which has control of the steel industry. We will be shortly in the same position if we do our part. Does a young man do as he pleases, go to college, play golf, take a job, marry a wife? No, it is decreed that the nation needs him in the army, and to the army we send him. When this war is over we are not going to lapse back to individual chaos. Instead of this the concept of public need and the utilization of a nation's resources to meet it will be applied as never before. One of the ways will be the development of rural market organizations which will give us cheap and abundant supplies of vegetable foods, a class of production that even our food administration in war times scarcely thinks it is possible to affect with all the authority at its command. It can only urge individual action.

The bringing of such market organizations to pass this winter in preparation for next year's business is the peculiar opportunity of Public Safety Committees and other voluntary war service organizations.